

107TH CONGRESS
1ST SESSION

H. R. 3573

To amend the Internal Revenue Code of 1986 to modify certain rules applying to individuals employed in the entertainment industry.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 20, 2001

Mr. CAMP (for himself, Mr. FOLEY, and Mr. RANGEL) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to modify certain rules applying to individuals employed in the entertainment industry.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. MODIFICATION OF DEDUCTION FROM GROSS**
4 **INCOME FOR CERTAIN PERFORMING ART-**
5 **ISTS.**

6 (a) IN GENERAL.—Paragraph (1) of section 62(b) of
7 the Internal Revenue Code of 1986 (defining qualified per-
8 forming artist) is amended by adding “and” at the end
9 of subparagraph (A), by striking “, and” at the end of

1 subparagraph (B) and inserting a period, and by striking
 2 subparagraph (C).

3 (b) LIMITATION ON DEDUCTION.—Subparagraph (B)
 4 of section 62(a)(2) of such Code is amended by inserting
 5 “(but not more than \$16,000)” after “section 162”.

6 (c) CONFORMING AMENDMENT.—Subparagraph (B)
 7 of section 62(b)(3) of such Code is amended to read as
 8 follows:

9 “(B) JOINT RETURNS.—In the case of a
 10 joint return, paragraph (1) and subsection
 11 (a)(2)(B) shall be applied separately with re-
 12 spect to each spouse.”

13 (d) EFFECTIVE DATE.—The amendments made by
 14 this section shall apply to taxable years beginning after
 15 December 31, 2001.

16 **SEC. 2. MODIFICATION OF PENSION OFFSET RULE UNDER**
 17 **UNEMPLOYMENT INSURANCE LAW.**

18 (a) IN GENERAL.—Section 3304(a)(15) of the Inter-
 19 nal Revenue Code of 1986 (relating to reductions in tax)
 20 is amended—

21 (1) by striking “and” at the end of subpara-
 22 graph (A),

23 (2) by adding “and” at the end of subpara-
 24 graph (B), and

1 (3) by adding at the end the following new sub-
2 paragraph:

3 “(C) in the case of a pension, retirement or re-
4 tired pay, annuity, or other similar periodic payment
5 under an entertainment industry plan contributed to
6 by an employer—

7 “(i) such a reduction shall not be re-
8 quired by reason of such a payment
9 unless—

10 “(I) such individual worked for
11 such employer before the base period,
12 and

13 “(II) such employer contributed
14 to such plan on account of such indi-
15 vidual’s work for such employer before
16 the base period, and

17 “(ii) subject to subparagraph (B),
18 such reduction shall not exceed the amount
19 (if any) of the increase referred to in sub-
20 paragraph (A)(ii) in such payment which is
21 attributable to services performed by such
22 individual for such employer;”.

23 (b) ENTERTAINMENT INDUSTRY PLAN AND EM-
24 PLOYER.—Section 3304 of such Code is amended by add-
25 ing at the end the following new subsection:

1 “(g) ENTERTAINMENT INDUSTRY PLANS AND EM-
2 PLOYERS.—For purposes of subsection (a)(15)(C)—

3 “(1) ENTERTAINMENT INDUSTRY PLAN.—The
4 term ‘entertainment industry plan’ means any multi-
5 employer plan substantially all of the contributions
6 to which are made by entertainment industry em-
7 ployers.

8 “(2) ENTERTAINMENT INDUSTRY EMPLOYER.—
9 The term ‘entertainment industry employer’ means
10 any employer substantially all of the trades or busi-
11 nesses of which consists of 1 or more of—

12 “(A) radio or television broadcasting,

13 “(B) the production or distribution of vis-
14 ual images or sound on—

15 “(i) video or audiotape,

16 “(ii) film, or

17 “(iii) computer-generated or other vis-
18 ual or audio media, and

19 “(C) live stage productions,
20 for public dissemination (whether for entertainment,
21 informational, commercial, educational, religious, or
22 other purposes).”

23 (c) EFFECTIVE DATE.—

1 (1) IN GENERAL.—The amendments made by
2 this section shall apply to weeks beginning after De-
3 cember 31, 2001.

4 (2) SPECIAL RULE.—In the case of any State
5 the legislature of which has not been in session for
6 at least 30 calendar days (whether or not successive)
7 between the date of the enactment of this Act and
8 December 31, 2001, the amendments made by this
9 section shall apply to weeks beginning after the date
10 which is 30 calendar days after the first day on
11 which such legislature is in session on or after De-
12 cember 31, 2001.

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